



Solid Waste and Future Fees

PRESENTED TO THE CITY COUNCIL ON APRIL 15, 2023

Solid Waste Fund – Financial Overview

- Proprietary fund – charge customers for refuse, recycling and city administrative cost
- Refuse and recycling operations outsourced to Waste Connections
 - No SW rate increases – FY2019-2023
 - Financial strategy was to draw down fund balance in Solid Waste Fund – (FY2019- FB% was 63%)
 - Council approved new 5-year contract on May 1, 2023
 - Extend Contract through September 2029
 - Prior year CPI increases (22%) - Waste Connections' Contract
 - FY2022 – 4% Increase
 - FY2023 – 10% increase
 - FY2024 – 8% increase
 - Future CPI
 - FY 2025 – 6% or CPI increase whichever is greater
 - FY2026-2029 – CPI Increase

Solid Waste Fund – Financial Overview

- Proposed SW Customer Rate Projections:
 - FY2024 – 20% - “True up” Contract CPI adjustments
 - Average residential cost - \$3.64 a month
 - Did not cover all increases as CPI was 8%
 - FY2025 – 6% increase or CPI
 - FY2026-2029 – CPI increase
 - Review Franchise Fees and Administrative Costs

Estimated Rates

Waste Connection Rates - Monthly			
		8%	6%
		FY24	FY25

Residential	Waste Collection	\$ 16.61	\$ 17.60
	Recycling	\$ 3.09	\$ 3.27
	Admin and Overhead	\$ -	\$ -
	Franchise Fee	\$ -	\$ -
	Total	\$ 19.69	\$ 20.88

Small Collections	Waste Collection	\$ 26.16	\$ 27.73
	Admin and Overhead	\$ -	\$ -
	Franchise Fee	\$ -	\$ -
	Total	\$ 26.16	\$ 27.73

	Waste Collection	\$ 39.71	\$ 42.09
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Large Collections	Admin and Overhead	\$ -	\$ -
		\$	\$

Resident Rates-Monthly			
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Citizens Rates	2024	2025	Difference	Yearly
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Waste Collection	\$ 16.20	\$ 17.60	\$ 1.40	
Recycling	\$ 3.00	\$ 3.27	\$ 0.27	
Admin and Overhead	\$ 1.10	\$ 1.10	\$ -	
Franchise Fee	\$ 1.54	\$ 1.67	\$ 0.13	
Total	\$ 21.84	\$ 23.65	\$ 1.81	\$ 21.67

Waste Collection	\$ 23.43	\$ 27.73	\$ 4.30	
Admin and Overhead	\$ 1.10	\$ 1.10	\$ -	
Franchise Fee	\$ 1.87	\$ 2.22	\$ 0.35	
Total	\$ 26.40	\$ 31.05	\$ 4.65	\$ 55.80

Waste Collection	\$35.38	\$ 42.09	\$ 6.71	
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Admin and Overhead	\$ 1.10	\$ 1.10	\$ -	5
	\$	\$	\$	

Solid Waste 5-Year Projection

ACCOUNT DESC	CHAR CODE	2024 YEAR END BUDGET	2024-2025 ESTIMATE	2025-2026 FIVE YR FORECAST	2026-2027 FIVE YR FORECAST	2027-2028 FIVE YR FORECAST	2028-2029 FIVE YR FORECAST	2029-2030 FIVE YR FORECAST
		519,420	416,698	431,880	446,244	459,733	472,289	483,851
	CHARGES FOR SERVICES	\$4,218,898	\$4,664,095	\$4,938,849	\$5,230,133	\$5,538,946	\$5,866,352	\$6,213,477
	INVESTMENT EARNINGS	\$27,528	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
REVENUE		\$4,246,426	\$4,679,095	\$4,953,849	\$5,245,133	\$5,553,946	\$5,881,352	\$6,228,477
	OUTSIDE SERVICES	\$3,834,518	\$4,143,461	\$4,393,864	\$4,659,491	\$4,941,268	\$5,240,177	\$5,557,259
	EQUIP MAINT & REPAIR							
	UTILITIES	\$11,000	\$11,330	\$11,670	\$12,020	\$12,381	\$12,752	\$13,135
	CLAIMS AND INSURANCE	\$1,449	\$1,492	\$1,537	\$1,583	\$1,631	\$1,680	\$1,730
	MISC	\$404,493	\$407,472	\$429,723	\$453,256	\$478,148	\$504,477	\$532,331
	COST ALLOCATION EXP	\$51,629	\$53,178	\$54,773	\$56,416	\$58,109	\$59,852	\$61,648
	TRANFERS OUT	\$46,058	\$46,979	\$47,919	\$48,877	\$49,855	\$50,852	\$51,869
EXPENDITURE		\$4,349,148	\$4,663,912	\$4,939,486	\$5,231,644	\$5,541,390	\$5,869,790	\$6,217,971

Fund Balance	416,698	431,880	446,244	459,733	472,289	483,851	494,356
Percentage Fund Balanvce	10%	9%	9%	9%	9%	8%	8%

Solid Waste Fund Recommendations

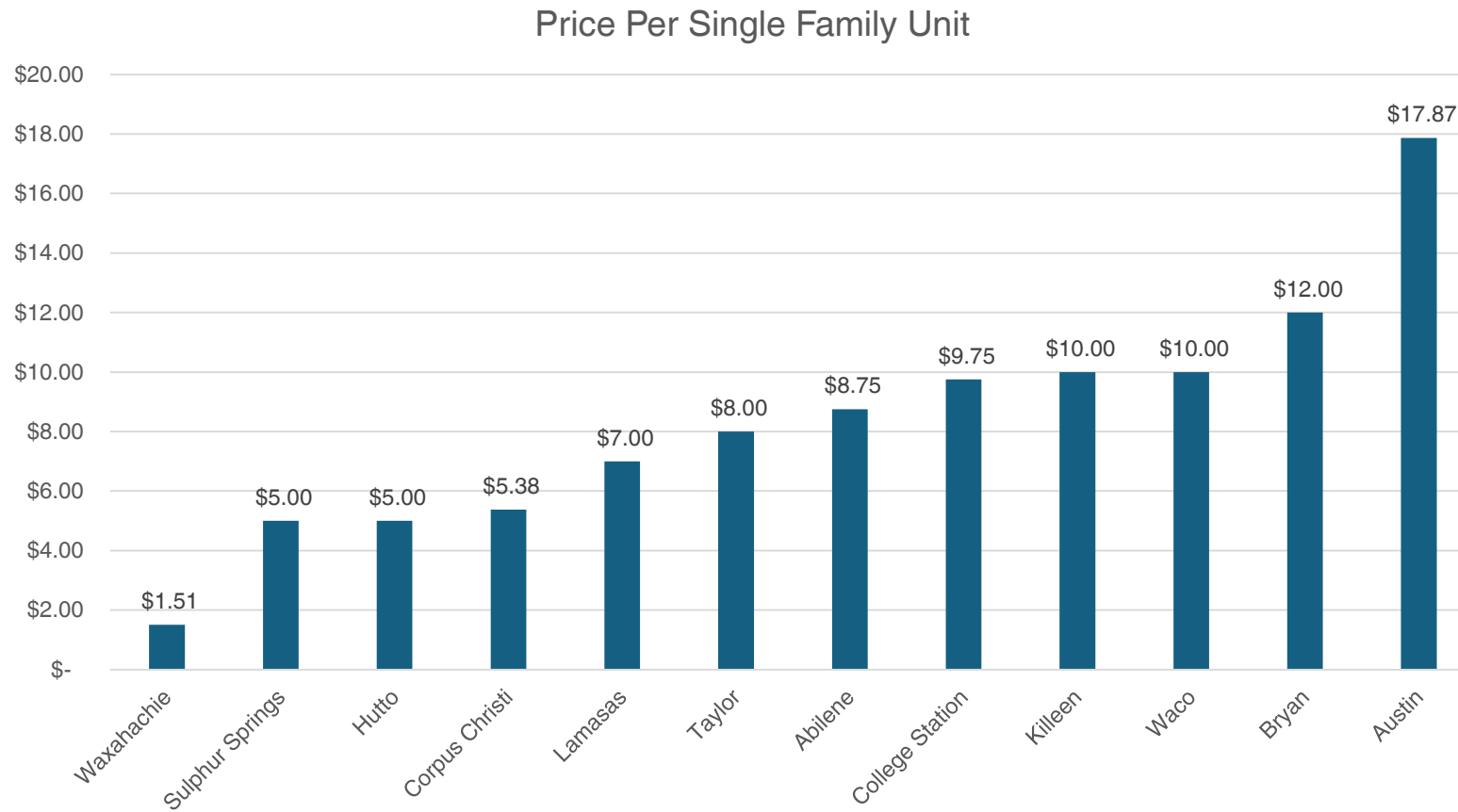
- Best practice to pass through all expenses and increases waste hauler
- Budget for consultant to assist in future solid waste RFP
 - Potential Savings to incorporate other fees
 - Polycarts, franchise commercial
 - \$40,000 in FY25 budget
- Incorporate litter abatement into solid waste fund in future
 - \$130,000 annual contract reduced from General Fund
 - \$1.00 Monthly Fee
- Incorporate a Street Maintenance Fee in FY26
 - Possible savings from new solid waste contract
 - Staff to hire a consultant to assist in calculations

Street Maintenance Fees

Street Maintenance Fees

- Dedicated funding source to assist in maintenance of existing roadways.
- Cannot be used on reconstruction or new construction
- Included on water bill as a separate fee
- Requires calculation for creating fee similar to impact fees.
- Reduce burden on GF while increasing funding

Other Communities



Fort Worth – March 4

Trey Shanks—vice president with **Freese and Nichols**, which provided infrastructure management consulting on this report—said that if the city were to adopt a street maintenance fee, proposed funds could be \$66.1 million. He added that the proposed rate structure would include the following rates per month for each land use category:

- \$9.22 for single-family homes
- \$5.65 for one multifamily unit
- \$9.08 per 1,000 square feet of office space
- \$12.06 per 1,000 square feet of retail/commercial space
- \$15.80 per 1,000 square feet of dining space
- \$2.67 per 1,000 square feet of industrial space
- \$2.71 per 1,000 square feet of institutional space

The news release states that if adopted, the city would join 12 other cities in Texas that have begun utilizing street maintenance fees.

Possible Revenue Opportunities

Current Street Maintenance Budget

- \$1,111,500
- Includes Contracted Services and purchase of material for staff work

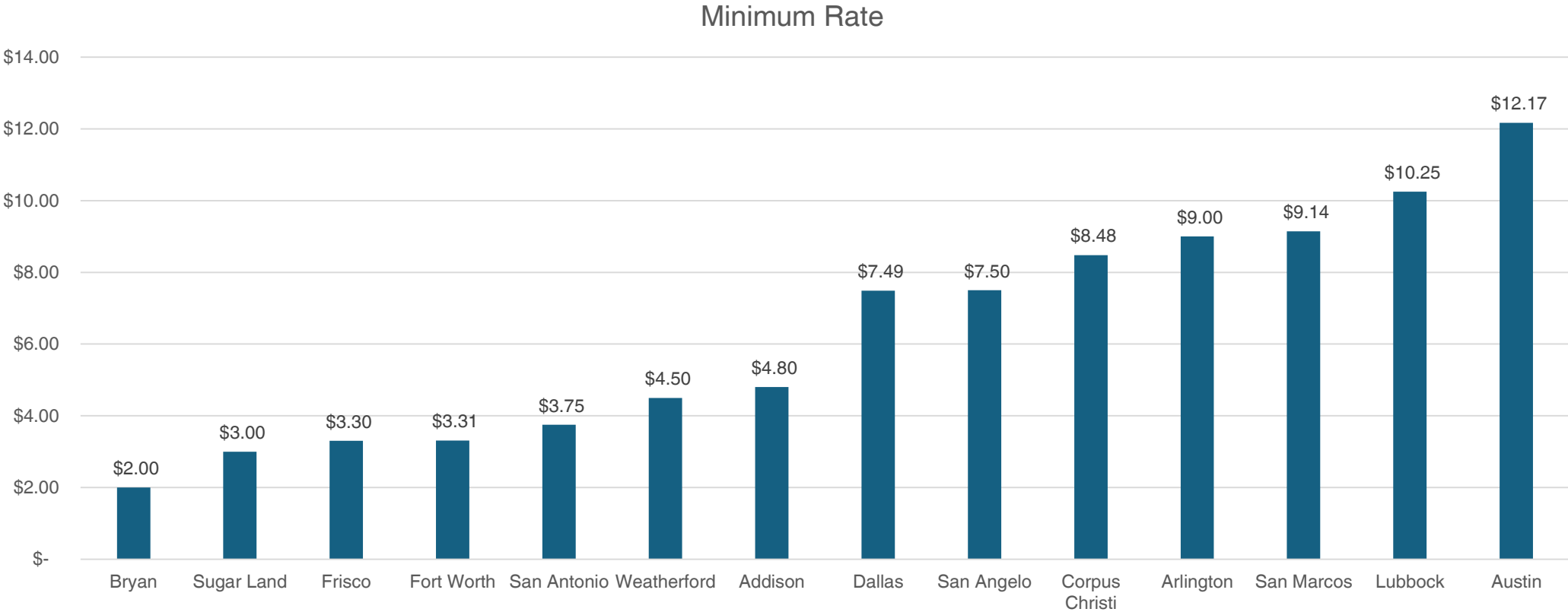
Possible Revenues from Street Maintenance Fees		
Based on 15,997 Residential Properties		
Rate	Monthly	Annual
\$ 1.50	\$ 23,995.50	\$ 287,946.00
\$ 2.50	\$ 39,992.50	\$ 479,910.00
\$ 4.00	\$ 63,988.00	\$ 767,856.00
\$ 5.00	\$ 79,985.00	\$ 959,820.00
\$ 7.00	\$ 111,979.00	\$ 1,343,748.00
\$ 8.00	\$ 127,976.00	\$ 1,535,712.00
\$ 10.00	\$ 159,970.00	\$ 1,919,640.00

Storm Water Utility Fees

Storm Water Utility Fees

- Dedicated funding source for drainage improvements throughout the community
- Can be used for on-going maintenance and/or capital projects depending on funding level
- Requires calculation to determine fee
- Bring consultant contract forward in August

Other Communities



Possible Revenue Opportunities

Current Drainage Maintenance Budget

- \$597,156
- Includes entire budget which includes staff, equipment and materials.

Possible Revenues from Street Maintenance Fees		
Based on 15,997 Residential Properties		
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Next Steps

- Solid Waste
 - Review fund as part of the budget process and adopt new rates
 - Rates include passing through all solid waste collection, administrative, and franchise fees
 - Include supplemental for consultant to assist in RFP for new solid waste contract
 - Discuss best practices to establish rates
 - Review litter abatement funding source
- Street Maintenance Fees
 - Include supplemental for consultant to assist in street maintenance fee structure
 - Coordinate implementation with update solid waste contract
- Storm Water Fee
 - Utilize existing funding to hire consultant to start reviewing possible fee structure

QUESTIONS/COMMENTS